



STRENGTHENING THE SAFETY NET

Issue Briefing - October 2000

A FINANCIAL ANALYSIS OF NEW HAMPSHIRE'S COMMUNITY HEALTH CENTERS

• **Community Health Centers are private nonprofit ambulatory care providers whose missions are to serve all who seek care regardless of ability to pay or insurance status.**

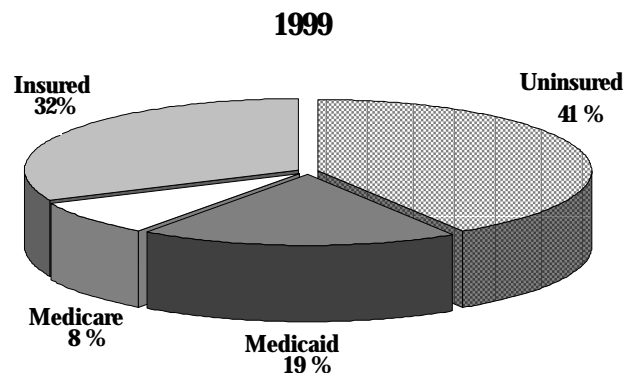
Community Health Centers (CHCs) have a common mission to deliver primary and preventive health care services to underserved people who face barriers accessing mainstream health care, such as lack of insurance, inability to pay, cultural/ethnic issues and geographic isolation. A distinguishing characteristic of CHCs is that they provide so-called “enabling services” – translation, transportation, outreach, case management and psychosocial services – that lead directly to increased access to care and improved health outcomes.

• **There are ten Community Health Centers serving over 40,000 people in 172 of New Hampshire's cities and towns.**

• **Community Health Centers (CHCs) are essential components of the health care system.**

- Approximately 9 percent of the State's residents are uninsured, while an average 41% of the CHCs' patients are uninsured.
- While 6% of the State's residents are eligible for Medicaid, 19% of the CHCs' patients are enrolled in Medicaid.

Patient Mix at New Hampshire's Community Health Centers



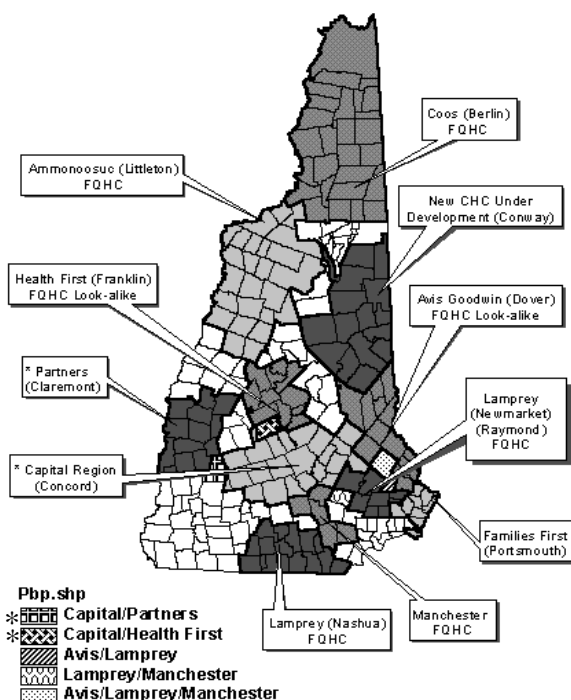
Source: Uniform Data System

• **The CHCs commitment to caring for the poor makes them – according to the Institute of Medicine – “core safety net providers.”¹**

If the CHCs were to disappear or diminish in number and capacity, then the likelihood that the poor and uninsured would receive the care they need would be greatly diminished. Without health insurance coverage for all and without a safety net, a significant portion of New Hampshire's residents would be unable to receive needed medical care. The recently released report by the Institute of Medicine states that the safety net is “intact but endangered.”

¹ *Institute of Medicine. 2000. America's Health Care Safety Net: Intact but Endangered. Washington, DC: National Academy Press.*

**Community Health Center
Market Areas**



* Not included in study.

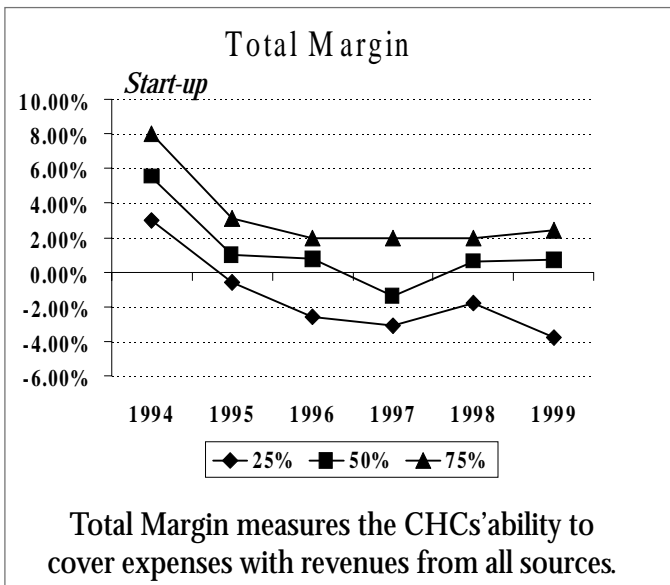
- **CHCs care for those most in need and those most unlikely to have access to care elsewhere.**

Case management is an important “enabling” service that CHCs provide. Chronic health conditions such as asthma, diabetes, depression and high-risk pregnancy have a major impact on safety net providers’ resources.

- **CHCs survive through public and private grants and contracts and community financial support.**

- **The financial position of CHCs has deteriorated nationally and in New Hampshire.**

- Between 1994-1999, New Hampshire’s CHCs experienced a decline in financial health. By Fiscal Year 1999, total margins ranged from 2.0% to – 4.0%.



- Over this period, the health centers did not generate enough cash internally through operations to meet capital investment needs for property, plant and equipment.

- **The continued ability of CHCs to meet their mission requires a renewed public and private commitment to them.**

The immediate need is to strengthen the CHCs’ financial situation.

An advisory group of public and private sector partners should be convened to advise in the implementation of the following recommendations:

- Enroll all eligible patients in Medicaid and the State Children’s Health Insurance Program (SCHIP) and continue efforts to expand private health insurance coverage to people who cannot afford insurance coverage.
- Maximize federal funding by applying for expansion and new start federal funds available through Section 330 (of the Public Health Services Act). Presently, 4 of the 10 CHCs in New Hampshire are federally qualified and receive these federal funds for primary and preventive health care services.
- Examine the Department of Health and Human Services resource allocation to CHCs and determine how to ensure appropriate cost reimbursement for services. This should include reimbursement of CHCs’ costs for providing “enabling” services. Public and private programs often do not pay for these services that are essential to those served by the CHCs.
- Develop new and expand existing partnerships between NH’s community hospitals, businesses, charities and foundations to provide direct and in-kind support to CHCs.
- Work jointly to identify long-term capital needs, secure access to long-term sources of funding, and to identify and guarantee short-term lines of credit.